



LOS ALTOS FOOD PRODUCTS, INC.

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September 4, 2007

The Honorable A.G. Kawamura, Secretary
California Department of Food and Agriculture
1220 N. Street
Sacramento, California 95814

Dear Secretary Kawamura:

As cheese producers in California, we find ourselves in a very critical situation for the first time in over 25 years of being in this industry. Los Altos Food Products, Inc. strongly supports the class 4b petition filed by F & A Dairy of California and others to remove the dry whey factor from the class 4b pricing formula.

With every week that passes by, our losses continue to increase. Many of us are small manufacturers that cannot sustain this kind of continued loss for a prolonged period of time. We believe that California cheese plants are being put at a severe disadvantage with this new formulation for the class 4b pricing. Most of us do not process our whey as an added value but instead pay to have other companies haul it away because we have no way to process it the way the large manufacturers do. The change in the formula for the class 4b pricing will create a monopoly of cheese manufacturing in California because large manufacturers will be the only ones that will be able to sustain this change.

We thank you for accepting the petitioners' request for a hearing and hope that you understand our position and urgent needs in regards to this matter. The future of our business depends on the outcome of this hearing.

Sincerely,

Alin Andrade
V.P. Operations

cc: George Gomes, Undersecretary
Kelly Krug, Director, Marketing Services Division
David Ikari, Chief, Dairy Marketing Branch